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BUSINESS PROFIT ANALYSIS OF MICRO CULINARY BUSINESS

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ABSTRACT: The purpose of this study is to analyze in detail the profile of business activities and the amount of profits achieved each month by a micro culinary business and also to find out the feasibility of micro-culinary restaurant business. The data analysis is based on descriptive analysis, operating profit analysis, and for feasibility return of cost ratio analysis is used. Primary data was collected from the owner of the business by adopting interview technique. The results of this study indicate that overall the Noodle culinary shop business has a profit of IDR 25,359,823 every month, with an R / C cost ratio of 1.83. This indicates the feasibility of micro culinary business. The results further indicate that the culinary business is profitable and can be concluded that the culinary business can be a prospective business venture for new entrepreneurs starting their own restaurant business.

Keywords: Profit analysis, restaurant, culinary shop, small business, entrepreneurs.

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INTRODUCTION

Culinary or food business in the city of Surabaya, Indonesia is experiencing relatively rapid development. This rapid development is causing more and more people to be interested in running a business like this. The increasing number of culinary or food businesses will increase the level of competition among several restaurants, especially restaurants that serve similar culinary products.

The rational reason for a culinary business to grow is because this business promises huge profits. Restaurant business activities in the area of Surabaya are classified as perfect competition markets, because there is no dominance of just one restaurant, but each restaurant has the same opportunity to attract as many customers. Restaurant entrepreneurs are also given the discretion to develop the products they sell according to the wishes of consumers. At present there are more than 50 restaurants actively selling in the Ketintang area of Surabaya.

Noodle culinary shop is one of the restaurant business in Ketintang area of Surabaya

which has been running for more than 2 years. This restaurant business has many loyal customers so that business stability is maintained. Noodle culinary shop is a small business, which employs no more than 7 people. The business menu only focuses on culinary variants of noodles, such as senewen noodles, konslet noodles, ramen and a variety of complementary products; while the drink menu provided is very varied, such as cold drinks, warm drinks, milk and bottled mineral water, which is often found in the market. Although, the menu items are limited, but still attracts lot of customers that maintains the shop profits despite the fact that the competition is quite tight in the Ketintang area of Surabaya with many similar business setups.

The selection of noodle culinary shop as a research location is based on the willingness of the owner to provide real data that facilitated in the analysis based on real figures of the business. The business feasibility based on real figures, it is expected to be an example and benchmark for the development of other culinary businesses in Surabaya.

LITERATURE REVIEW

Akinyele (2010) in Raheem (2019) indicates that majority of the individuals from various cultures and ethnic groups have differing preferences. The main determinant of success of a business lies in the management's ability to set long-term organizational goals (Aremu, & Olodo, 2015).

Business sustainability has come a long way. From the dawn of the modern environmental movement and the establishment of environmental regulations in the 1970s, it has now become a strategic concern driven by market forces (Andrew, 2018). The concept of business performance (Venkatraman & Ramanujam, 1986: 803-804) in Sambudi (2015) is narrowly centered on the use of simple financial indicators that are assumed to reflect the fulfillment of the economic goals of the firm. This concept refers to the financial performance such as market growth, profitability, earnings per share.

Entrepreneurship is the best solution viewed by the governments. Entrepreneurship requires a systematic and disciplined attitude in applying innovation and creativity to solve life problems as well achieve a better life (Roy et al., 2017). An entrepreneur must be passionate about exploring new ideas market, look for sources of funding capital, and search how to build and develop new products, which can support individuals to become entrepreneurs. Academics and practitioners agree that intention is an important aspect of the process of entrepreneurship, with important implications for motivation and energy, perseverance, and work effort (Thorgren & Wincent, 2015).

The failure rate of small businesses is still high in the world. Entrepreneurship leads economic growth, and thus, there is a need for more successful entrepreneurs to grow the economy and minimize business failure (Shabir, & Lussier, 2016). As a core product of a food service operation, food and beverage quality has been given a great importance and has been checked for many aspects such as temperature, texture, flavor, and aroma. Food and beverage quality is considered to affect the customers' intentions to come back again to a specific restaurant (Mireille, 2019).

Adeline (2015) has identified restaurant as one of the businesses that support tourism development. Restaurants nowadays do not only provide food, but also the service and atmosphere to their customers. The improvement of lifestyle of the urban population plays a crucial role in the growth of consumer-based market such as ones in restaurant sectors (Hoem, 2015).

Gloria (2017) defining restaurant business is growing in line with the customer's needs, wants and demands. The restaurant business has become a business that have concept of ambience, selling, menu and packaging, and also service. Kong and Ratnam (2007) in Salleh (2016) stated that most of the successful restaurants are able to deliver a good

service, fulfilled the needs and satisfied the experience of customers. Mhlanga (2018) ability of restaurants to succeed will not be determined by their size but by their type, location and revenue per available seat.

Restaurant business profit is measured by economic value. According to Eliza Ching and Yick Tse (1991) in Talib (2016) the economic performance of an organization is determined by three measures. Businesses must balance their desire to maximize profits against the needs of the stakeholders (Pallavi, 2015). Business success is usually associated with the ability of entrepreneurs to create and distribute wealth, but also on its differentiation, which is usually related to innovation (Vala, 2017).

Financial performance analysis include analysis and interpretation of financial statements of various companies working in that industry in such a way that it undertakes full diagnosis of the profitability and financial soundness of the business (Aithal, 2017). An organizational culture that values innovation is critical to ensure successful performance of a restaurant. The outcomes of innovation include a variety of benefits to a restaurant business (Edyta, 2017).

Levy and Powell (2004) in Heikkila (2018) indicates that typically, small business pursuing profitability focus on price competition and operational planning, with limited attention for strategic planning, the main objective being efficiency and cost reduction. By monitoring and developing the external relationships upstream and downstream, they can improve the efficiency and profitability of their business. A day-to-day survival approach may lead them to drift in their decisions instead of consistently adhering to a strategic objective.

The company must increase more business by putting together a right marketing strategy like advertising, promotion and marketing interactive to increase awareness of customers so as to create excellence competitive (Woo G. Kim & Kim, 2004; Hegner & Jevons, 2016). Bankruptcy is the legal process by which financially distressed firms and individuals resolve their debts. It is an important part of the legal environment for small business owners and their lenders because small businesses are very risky and often fail and because bankruptcy law affects how business owners and their lenders are treated in the event of failure (Michelle, 2016).

METHODOLOGY

The research write-up was carried out over a period of two months from February to March 2020, while data was collected in the month of December, 2019. The location of the study was a noodle culinary shop in the Ketintang area, Wonokromo Surabaya. The method used in this research is the case study method. The data used in this study are primary data obtained using interview technique. Interview was taken from the owner of a small noodle shop. Interview protocol was developed, which was based on list of questions.

The case – noodle shop has been established for the past two years. The shop uses workforce management technique such as distribution of shifts or working hours and the division of work positions that apply in restaurants; other factors studied were food and beverage menu offered by the restaurant; and business capital, including ownership of cutlery, cooking utensils, electrical equipment and other supporting furniture; number of servings for each food and drink provided; number of servings for each food and drink sold; price of each serving of food and drinks offered; production costs incurred by the owner to provide food and beverage menus offered, including:

Fixed costs (Rp / month) consisting of; Depreciation expense for equipment, which is the cost component indirectly incurred by the entrepreneur each year of production, in this case the use of equipment supporting business activities. Depreciation expense is

calculated by the formula:

$$P = \frac{HA - HB}{T}$$

Where:

P = Cost of depreciation of equipment (Rp / month) HA = initial price (Rp)

HB = final price (Rp)

T = the economic life of the tool (months)

Building rent, which is an expense of the entrepreneur to pay for the procurement of the building where the business is run.

- a. Variable costs (Rp / month) include;
- b. Food and beverage raw materials;
- c. Complementary equipment;
- d. Monthly fee bills;
- e. Labor costs; and
- f. Transportation.

Receipts, is the amount of money that restaurant owner receives before deducting the total cost or commonly called gross income every month and is expressed in rupiah (Rp), and can be determined using the following formula:

$$TR = Q \times P$$

Where:

TR = total revenue / total revenue (Rp / month).

Q = quantity / number of portions of food and drinks sold.

P = price / price of food and drinks sold (Rp).

Business profit, which is the amount of money earned by a restaurant entrepreneur as a profit for culinary business activities every month (Rp), and can be determined using the following formula:

$$I = TR - TC$$

Where:

I = income / business profit (Rp / month).

TR = total revenue / total revenue (Rp / month).

TC = total cost / total cost (Rp / month).

Analysis of the data used in this research is descriptive analysis. Calculation of the level of profit and business feasibility test carried out within a period of 1 month in December 2019. To know the level of profitability of the restaurant business profit analysis is used. The business profit analysis is then followed by an analysis of the return of cost ratio to analyze the feasibility of the Noodle culinary shop (as shown in figure 1). The results of the study are presented in the form of an income statement from the noodle culinary shop business.

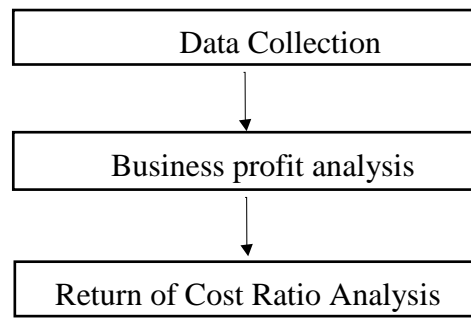


Figure 1: Research Process

RESULTS AND DISCUSSION

Profile of noodle culinary shop.

Noodle culinary shop is one of the culinary businesses (restaurants) located in the area of Surabaya. The restaurant is managed by Sabrina Musa and has been running for 2 years, from 2018 to the present. The choice of location in the Ketintang area is caused by the manager seeing a good business opportunity in the area and at that time the manager already has a business location for restaurant preparation.

The advantage of this restaurant is that it is affordable compared to other restaurants in the vicinity. Even though the price is affordable, the flavor offered is still delicious and in accordance with the standard of the same noodle products as other restaurants. In addition, the condition of the restaurant building is luxurious and comfortable, making prospective consumers increasingly interested in visiting.

The problem of the lack of availability of parking lots in the Ketintang area is the root cause of traffic congestion that occurs in the location every afternoon. However, this does not affect the noodle shop as owner of the shop provides his customers with parking area in front of the restaurant.

Menu, price level and acceptance rate of the business

Noodle culinary shop business is classified as a culinary business with a relatively limited scope. This can be seen from the less varied food menu compared to the menus of several other restaurants in the Ketintang area of Surabaya. The main food menu of the shop focuses on noodle variants only. But this has become one of the advantages for this restaurant, because with the limited number of menu, makes it easier for the manager and the workforce to focus on producing culinary products with a priority on flavor. Table 1 shows the variation of the food menu, the price of each menu, the number of servings sold in 1 month and the level of restaurant acceptance of each menu sold.

Table 1: Menu Variation, Price Level and Acceptance Rate of Noodle Shop from Food Products

No	The name of the culinary product menu	Amount sold (portion)	Product Price per Portion (Rp)	Total receipts (Rp)
1	Senewen noodles	1582	8.500	13.447.000
2	Konslet noodles	1673	9.500	15.893.500
3	Ramen noodles	112	14.500	1.624.000
4	Tomyum noodles	128	11..500	1.472.000
5	Nugget	87	8.500	739.500
6	Grilled sausage	64	8.500	544.000
7	Crisp intestines	91	6.500	591.500
8	Seafood dumplings	132	9.000	1.188.000
9	Chicken dumpling	146	9.000	1.314.000
10	Chicken pao	8	9.000	72.000
11	Toast	28	8.500	238.000
12	Chocolate fried bread	50	9.000	153.000
Total				37.276.500

Source: Processed from primary data taken from the shop, December 2019.

Table 1 shows that the price and sales level of 12 food menus offered by Noodle culinary shop in December 2019. The main menu offered is Senewen Noodle and Konslet Noodle while there are other food menus that can also be an option for consumers, namely Ramen and Noodle tomyum. Some additional or complementary menus are also presented at this restaurant, such as nuggets, grilled sausages, crisp intestines, seafood dumplings, chicken dumplings, chicken pao, toast and chocolate fried bread.

The price offered for the main menu is quite varied, where the cheapest product is senewen noodles for Rp 8,500 / portion, while the most expensive product is ramen noodles at a price of Rp 14,500 / portion. Complementary products with the lowest price are crisp intestine at a price of Rp 6,500 / portion, while the most expensive complementary products are seafood dumplings, chicken dumplings, chicken pao and chocolate fried bread at a price of Rp9,000 / portion. Based on the data collection, the results of the sale of the main menu of noodles in December 2019 were 1582 servings of senewen noodles and 1673 servings of konslet noodles, while the other main menu most consumers bought was tomyum noodles which were 128 servings. The lowest selling main product is ramen noodles with sales of only 112 servings in 1 month. The explanation shows that the short- circuit products are the bestselling culinary products in the Noodle culinary shop. While the best-selling complementary product at the Noodle culinary shop is chicken dumplings with sales of only 146 servings and complementary products with the lowest sales is chicken pao with sales of only 8 servings in 1 month. The results of this study indicate that the total revenue of Noodle culinary shop in December 2019 was mostly sourced from the sale of short noodle products, with sales

of Rp. 15,893,500 while the sale of Mie Senewen gave receipts of Rp. 13,447,000. In addition to selling the two main food menus, sales of complementary products in the form of chicken dumplings also contributed well to restaurant receipts compared to other products, with a total sales of Rp 1,314,000. The total revenue of Noodle culinary shop in December 2019 sourced from food products showed a figure of Rp. 37,276,500, or Rp. 1,242,550 / day.

Beverage menu

As for the current restaurant, the culinary shop also provides beverage products as a complement to the existing food menu. Types of drinks offered tend to be a beverage menu that can be found in other restaurants. The mainstay beverage product that is sold in this restaurant is iced thai tea. But based on the experience of the owner, the bestselling beverage products are tea and iced Thai green tea products. Table 2 shows the variation of the drinks menu, the price of each menu, the number of servings sold in 1 month and the level of restaurant acceptance of each menu sold.

The beverage products offered are tea, thai tea ice, thai green tea ice, selasih Bandung ice, kesemutan ice and milo. While the bottle drink menu offered is mineral water. The price offered for the mainstay beverage menu is classified as uniform, the most expensive beverage product is fresh milk at a price of Rp 12,500 / portion, while the lowest priced beverage product is bottled mineral water and tea at a price of Rp 4000 / portion. Based on data collection, the results of tea sales in December 2019 were 2057 and mineral water were 316 bottles. Both of these products are the best-selling beverage menu, while the typical beverage menu of noodle restaurants, namely Thai Thai Tea sold 216 servings. The lowest sales of beverage products is fresh milk, which is only 37 portions sold. Table 2 shows that tea is the bestselling beverage product at Noodle culinary shop. That is because tea is the cheapest and fastest menu choice, so consumers do not have to wait long to enjoy it.

The results of this study indicate that the total revenue of Noodle culinary shop sourced from the sale of beverage products in December 2019 mostly came from the sale of tea, namely the level of revenue of Rp 8,228,000. In addition to tea sales, ice green tea sales also contributed well to restaurant revenues compared to other beverage products, which amounted to Rp 2,490,500. The total number of receipts of noodle restaurant in December 2019 sourced from the sale of beverage products showed a figure of Rp.18,573,000.

Table 2: Variations in Menu, Price Level and Acceptance Rate of noodle restaurants from beverage products

No	The name of the culinary product	Amount sold (portion)	Product Price/Portion (Rp)	Total receipts (Rp)
1	Tea	2057	4000	8.228.000
2	Iced Thai tea	216	8500	1.836.000
3	Iced Thai green tea	293	8500	2.490.500
4	Milo	146	10000	1.460.000
5	Lemon tea	81	8000	648.000
6	Lemonade	53	8000	424000
7	Iced Bandung selasih	123	6500	799.500
8	Kesemutan Ice	113	8500	960.500
9	Fresh milk	37	12500	462.500
10	Mineral water	316	4000	1.264.000
Total				18.573.000

Source: Processed from primary data taken from shop, December 2019

Table 3 shows the total revenue of Noodle culinary shop in December 2019.

Table 3: Total revenue of Noodle culinary shop in December 2019

No	Types of Culinary Products	Total Revenue (Rp / month)
1	Food menu	37.276.500
2	Drink menu	18.573.000
TOTAL		55.849.500

Source: Processed from primary data, December 2019

The result of this study indicate that the acceptance of Noodle culinary shop sourced from the sale of food products shows a figure of Rp 37,276,500, while the acceptance of Noodle culinary shop sourced from the sale of beverage products shows a table of Rp18,573,000. As a result, the total revenue of the Noodle culinary shop business from selling food and beverage products in December 2019 was Rp. 55,849,500.

Production Costs

Production costs in restaurant business activities represent a number of expenses used to carry out existing culinary business activities. Costs are classified into two namely

fixed costs and variable costs. Fixed costs are costs incurred for business activities whose numbers remain relatively independent of the size of the production. Classified as fixed costs are the costs of depreciation of equipment and building rent, while the variable costs are costs whose value depends on the value or the number of production menus produced or sold. Classified as variable costs are the costs of purchasing raw materials for food and beverages, labor costs, transportation, monthly bills (electricity and water), fuel costs and other complementary costs. Table 4 shows the name of the equipment and details of the costs of depreciation of production support equipment used by the Noodle culinary shop.

Table 4: Details of the cost of depreciation tools in the Noodle culinary shop

No	Tool Name	Number of Tools (Unit)	Initial Price (Rp)	Final Price (Rp)	Economic age (Month)	Depreciation Fee (Rp/Month)
1	Stove Gas	2	600.000	0	60	20.000
2	Pan	3	25.000	0	60	1.250
3	Knife	5	6.000	0	60	500
4	Cutting board	2	12.000	0	60	400
5	Broom	2	20.000	0	12	3.333
6	Basin	8	10.000	0	60	1.333
7	Spoon Cook	8	5.000	0	60	666
8	Filter	2	6.000	0	60	200
9	Magic Jar	1	225.000	0	120	1.875
10	Dispenser	1	80.000	0	120	666
11	Freezer	2	2.000.00	0	120	33.333
12	Cupboard glass	1	175.000	0	120	1.458
13	Table	10	50.000	0	120	4.166
14	Chair	40	10.000	0	120	3.333
15	Plate	10 Set	50.000	0	120	4.166
16	Bowl	5 Set	45.000	0	120	1.875
17	Spoon	10 Set	10.000	0	120	833,3
18	Fork	10 Set	10.000	0	120	833,3
19	The place tissue	10	7.500	0	120	625
20	The place prick	10	3.000	0	120	250
21	The place sambal	10	3.500	0	120	291
22	Refrigerator	1	2.000.00	0	120	16.666
23	Fan	1	120.000	0	120	1.000
24	Water kettle	10	12.500	0	120	1.041
25	Napkin	6	5.000	0	60	500
26	Scissor	3	8.000	0	12	2000

27	Gallon	4	35.000	0	60	2.333
TOTAL						104.927

Source: Processed from primary data, December 2019

Table 4 shows that there are types of production aids used in the activities of the Noodle culinary shop. The type of equipment with the highest depreciation cost is a freezer, with a cost of Rp 33,333 / month, while the type of tool with the lowest depreciation cost is a filter, with a fee of Rp 200 / month. The results of this study indicate that the total cost of tool depreciation in the Noodle culinary shop is Rp 104,927 / month.

Place Rental Costs

The results of in-depth interviews with the owner of Noodle culinary shop showed that the ownership status of the building where the restaurant sells is private ownership. But the restaurant is required to pay a cleaning fee charged to the restaurant owner in the amount of Rp 150,000 / month.

The fixed cost component that is calculated in the Noodle culinary shop business is the cost of depreciating equipment at Rp 104,927 / month and cleaning costs at Rp 150,000 / month. So the results of this study indicate that the total fixed costs incurred by the owner of a noodle restaurant every month is Rp. 254,927.

Variable Costs

Costs for Procurement of Raw Materials for Food and beverages

In producing a culinary product (food and beverage), there must be a guaranteed supply of raw materials that are easy to find on the market, and guaranteed quality, so that the resulting flavors are not disappointing. The more and more expensive types of raw materials purchased, the greater the variable costs of raw materials incurred by restaurant owners. Table 5 shows the breakdown of the costs of procuring raw materials for food and drinks at the Noodle culinary shop.

The results of this study indicate that food raw materials that are most used by the restaurant is in the procurement of noodles, amounting to Rp 4,068,750. Whereas for beverage raw materials, it was ice cubes Rp 900,000. The total cost of procuring raw materials for food and beverages in December 2019 reached a total of Rp. 16,992,750.

Table 5: Details of the Cost of Food and Beverage Raw Material Procurement

No	Name of Raw Material	Amount Purchased	Unit	Purchase price (Rp/Unit)	Total cost (Rp/Month)
1	Noodles	3255	Pcs	1.250	4.068.750
2	Rice	30	Kg	11.000	330.000
3	Flour	5	Kg	7.000	35.000
4	Lettuce	10	Kg	15.000	150.000
5	Seasoning powder	30	Wrap	2000	60.000
6	Sauce	8	Bottle	16.000	128.000

7	Oil	25	Wrap	24.000	600.000
8	Sambal	32	Wrap	20.000	640.000
9	Black oil	14	Bottle	15.000	210.000
10	Onion	40	Wrap	20.000	800.000
11	Egg	112	Pcs	1.200	134.400
12	Dumplings	22	Kg	15.000	330.000
13	Ham	3255	Pcs	500	1.627.500
14	Soy sauce	26	Bottle	11.000	286.000
15	Sausage	64	Pcs	4.000	256.000
16	Tea	72	Pcs	2.500	180.000
17	Sugar	54	Kg	14.000	756.000
18	Milk	6	Bottle	16.000	96.000
19	Sprite	14	Bottle	12.000	168.000
20	Lemon	1	Kg	20000	20.000
21	Nugget	87	Pcs	5.000	435.000
22	Intestine	91	Pcs	3.000	273.000
23	Siomay	175	Pcs	5.000	875.000
24	Fried bread	50	Pcs	5.000	250.000
25	Toast	28	Pcs	3.500	98.000
26	Jam	3	Wrap	8.000	24.000
27	Thai tea	2	Wrap	35.000	70.000
28	Green tea	3	Wrap	35.000	105.000
29	SKM	50	Cans	13.000	650.000
30	Crab stick	128	Pcs	1000	128.000
31	Leek	10	Kg	10000	100.000
32	Noodles Ramen	112	Pcs	6.500	728.000
33	Tomyum Noodle	128	Pcs	5.000	640.000
34	Milo	146	Pcs	4.000	584.000
35	Ice cube	150	Wrap	6000	900.000
36	Basil seeds	1	Wrap	10.000	10.000
37	Chili	2	Kg	35000	70.000
38	Tomato	2	Kg	10000	10.000

39	Shallot	1	Kg	50000	50.000
40	Garlic	1	Kg	20000	20.000
41	Water gallon	57	Galon	5000	285.000
42	Mineral water	316	Bottle	2000	632.000
TOTAL					16.992.750

Source: Processed from primary data, December 2019

Costs for Procurement of Fuel and other Complementary Equipment

Procurement of fuel and complementary equipment, such as dish soap, tissues and so on must be adjusted to the needs of the restaurant, where the more consumers come the faster the fuel and other complementary equipment will be used up. Table 6 shows details of the costs of procuring fuel and other complementary equipment.

Table 6: Costs for Procurement of Fuel and Other Complementary Equipment

No	Item Name	amount purchase	Unit	Purchase price (Rp/Unit)	Total cost (Rp/month)
1	LPG Fuel (3Kg)	13	Tube	17.000	221.000
2	LPG Fuel (12Kg)	8	Tube	140.000	1.120.000
3	Box take away	1230	Pcs	1.200	1.476.000
4	Straw	1	Sack	130.000	130.000
5	Dish soap	32	Sachet	2.000	64.000
6	Tissue	27	Pack	8.000	216.000
7	Crackle	67	Pack	4.000	268.000
8	Light	1	Piece	15000	15.000
TOTAL					3.510.000

Source: Processed from primary data, December 2019

The results of this study indicate that 12kg LPG fuel used in one month reached 8 cylinders with a procurement cost of Rp 1,120,000. And 3kg LPG fuel reaches 13 cylinders at a cost of Rp 221,000. While the procurement of other supplementary equipment is Rp 2,169,000 / month. So that the total cost of procuring fuel and other equipment in a Noodle culinary shop is total of Rp. 3,510,000 / month.

Monthly Electric and Water Bill Costs

The cost of electricity and water bills can change every month, depending on the course of production activities in one month. Based on the explanation from the owner of a nervous noodle restaurant, it can be seen that the costs incurred for the payment of electricity bills (PLN) amounted to Rp 700,000, while the costs incurred for payment the water bill is Rp. 52,000, so the total cost incurred to pay electricity and water bills in December 2019 is Rp.752,000.

Labor Costs

In running business operations, restaurant owner is assisted by 7 permanent employees who all come from outside the family. There is no division of employee work hours in this restaurant, because restaurant operating hours last only 9 hours each day so it is felt unnecessary to do the division of work hours. In the division of work positions, the owner implements 2 main tasks, namely the kitchen (chef, drink maker and frontline) as many as 3 people, and the frontline (cashier and waiter) as many as 4 people. Employee salaries are given monthly. Table 7 shows the breakdown of the labor costs paid by the owner of a noodle restaurant.

Table 7: Labor Costs

No	Position	The of number workers (people)	Salary (Rp / Month)	Total Cost (Rp/Month)
1	Kitchen section	3	1.300.000	3.900.000
2	Frontline section	4	1.250.000	5.000.000
TOTAL				8.900.000

Source: Processed from primary data, December 2019

Table 7 shows that with a total of 3 employees in the kitchen, the owner pays a wage of Rp 3,900,000 / month, plus 4 frontline members for a total of Rp500,000 / month, the total labor cost the amount spent every month at the Noodle culinary shop is Rp. 8,900,000.

Transportation Costs

Transportation is used to facilitate the owner in shopping, so the transportation costs calculated in this study are the costs incurred by the owner of the restaurant to shop for raw materials for food and beverages, and other complementary equipment. Shopping activities are carried out every day where the transportation used is a private motor with a monthly fuel cost of Rp. 80,000.

Components that are classified as variable costs are the costs of purchasing raw materials for food and beverages of Rp/ month, fuel costs and other supplementary items in the amount of Rp.3,510,000 / month, monthly bills (electricity and water) in the amount of Rp. 752,000, labor costs in the amount of Rp. 8,900,000 /month, and transportation costs in the amount of Rp. 80,000 / month. Thus, the total production costs are accumulated from fixed costs and variable costs. Table 8 shows the recapitulation of production costs at the Noodle culinary shop in December 2019. The cost of producing a Noodle culinary shop business in December 2019 reached Rp. 30.489.677.

Table 8: Total of Production Costs

No	Cost type	Amount (Rp/Month)
1	Tool Depreciation Costs	104.927
2	Place Rental Costs	150.000
3	Cost of Procurement of Raw Materials	16.992.750
4	Fuel and Complementary Costs Another	3.510.000
5	Monthly Electricity and Water Bill	752.000

Source: Processed from primary data, December 2019

Levels of Business Profit and R / C Analysis

Business profit shows the net income received by the restaurant owner after managing the business for one month, while the R / C analysis is used to determine whether the culinary business activities are still feasible to run. Table 9 shows the level of business profit and the ratio of return of cost in the business of noodle restaurants.

Table 9: Level of Profit Restaurant Business and R / C Ratio

Description	Total/Month(Rp)
Total Revenue	55.849.500
Total Production Costs	30.489.677
Business Benefits	25.359.823
Ratio R/C	1,83

Source: Processed from primary data, December 2019

The business profit is the result of the reduction between total revenue and the total production costs incurred by the restaurant owner to carry out the results of this study. It shows that overall the Noodle culinary shop business every month gets a profit of Rp. 25.359.823 with the ratio level R/C by 1.83. So it can be concluded that the culinary business is feasible to run because the R / C value is more than 1. This shows that every Rp.1 issued by the manager is able to provide a return in the form of revenue of Rp1.83. This means that the total revenue is still greater than the total cost of production and culinary business activities are still experiencing profits every month.

CONCLUSION

Noodle culinary shop is one of the restaurants in the Ketintang area of Surabaya. Although this restaurant is still a small business because it employs no more than 7 people, but this restaurant business has many loyal customers so that the stability of this business is maintained. The results of this study indicate that overall the Noodle culinary shop business every month experiences a profit of Rp. 25,359,823, with an R /

C ratio of 1.83. This shows that every Rp. 1 cost of production issued by the restaurant manager is able to provide a return of Rp 1.83. This means that the total cost of production and culinary business activities are still experiencing profits every month. Entrepreneurship based on the management of agricultural products, especially the culinary industry, has become one of the business opportunities that offers huge benefits to the entrepreneurs. **The results of this study can be used by individuals who are interested in engaging in culinary business. Furthermore, the case study can be used by relevant government agencies to develop the area of Ketintang, so that it can have a positive impact on the city of Surabaya as one of the culinary areas worth visiting in Surabaya.**

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